

Introduced by Senator Correa

February 16, 2010

An act to amend Section 62.1 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

SB 1047, as introduced, Correa. Property taxation: mobilehomes.

Existing property tax law requires the reassessment at fair market value of real property upon a change in ownership, and specifies those transfers of real property that constitute a change in ownership. Existing law excludes from classification as a change in ownership, subject to certain conditions, any transfer made, on or after January 1, 1985, of a mobilehome park to a nonprofit corporation, stock cooperative corporation, limited equity stock cooperative, or other entity formed by the tenants of the park for the purpose of purchasing the park. Existing law classifies as a change in ownership any subsequent transfer of any portion of that same mobilehome park, on and after January 1, 1989, that is not for the purpose of converting ownership of the park in a specified manner.

This bill would make a technical, nonsubstantive change to this provision.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 62.1 of the Revenue and Taxation Code
- 2 is amended to read:

1 62.1. (a) Change in ownership ~~shall~~ *does* not include *any of*
2 the following:

3 (1) Any transfer, on or after January 1, 1985, of a mobilehome
4 park to a nonprofit corporation, stock cooperative corporation,
5 limited equity stock cooperative, or other entity formed by the
6 tenants of a mobilehome park, for the purpose of purchasing the
7 mobilehome park, provided that, with respect to any transfer of a
8 mobilehome park on or after January 1, 1989, subject to this
9 paragraph, the individual tenants who were renting at least 51
10 percent of the spaces in the mobilehome park prior to the transfer
11 participate in the transaction through the ownership of an aggregate
12 of at least 51 percent of the voting stock of, or other ownership or
13 membership interests in, the entity ~~which~~ *that* acquires the park.
14 If, on or after January 1, 1998, a park is acquired by an entity that
15 did not attain an initial tenant participation level of at least 51
16 percent on the date of the transfer, the entity shall have up to one
17 year after the date of the transfer to attain a tenant participation
18 level of at least 51 percent. If an individual tenant notifies the
19 county assessor of the intention to comply with the conditions set
20 forth in the preceding sentence, the mobilehome park may not be
21 reappraised by the assessor during that period. However, if a tenant
22 participation level of at least 51 percent is not attained within the
23 one-year period, the county assessor shall thereafter levy escape
24 assessments for the mobilehome park transfer.

25 (2) Any transfer or transfers on or after January 1, 1985, of
26 rental spaces in a mobilehome park to the individual tenants of the
27 rental spaces, provided that (1) at least 51 percent of the rental
28 spaces are purchased by individual tenants renting their spaces
29 prior to purchase, and (2) the individual tenants of these spaces
30 form, within one year after the first purchase of a rental space by
31 an individual tenant, a resident organization as described in
32 subdivision (l) of Section 50781 of the Health and Safety Code,
33 to operate and maintain the park. If, on or after January 1, 1985,
34 an individual tenant or tenants notify the county assessor of the
35 intention to comply with the conditions set forth in the preceding
36 sentence, any mobilehome park rental space that is purchased by
37 an individual tenant in that mobilehome park during that period
38 shall not be reappraised by the assessor. However, if all of the
39 conditions set forth in the first sentence of this paragraph are not
40 satisfied, the county assessor shall thereafter levy escape

1 assessments for the spaces so transferred. This paragraph shall
2 apply only to those rental mobilehome parks that have been in
3 operation for five years or more.

4 (b) (1) If the transfer of a mobilehome park has been excluded
5 from a change in ownership pursuant to paragraph (1) of
6 subdivision (a) and the park has not been converted to
7 condominium, stock cooperative ownership, or limited equity
8 cooperative ownership, any transfer on or after January 1, 1989,
9 of shares of the voting stock of, or other ownership or membership
10 interests in, the entity that acquired the park in accordance with
11 paragraph (1) of subdivision (a) shall be a change in ownership of
12 a pro rata portion of the real property of the park unless the transfer
13 is for the purpose of converting the park to condominium, stock
14 cooperative ownership, or limited equity cooperative ownership
15 or is excluded from change in ownership by Section 62, 63, or
16 63.1.

17 (2) For the purposes of this subdivision, “pro rata portion of the
18 real property” means the total real property of the mobilehome
19 park multiplied by a fraction consisting of the number of shares
20 of voting stock, or other ownership or membership interests,
21 transferred divided by the total number of outstanding issued or
22 unissued shares of voting stock of, or other ownership or
23 membership interests in, the entity that acquired the park in
24 accordance with paragraph (1) of subdivision (a).

25 (3) Any pro rata portion or portions of real property that changed
26 ownership pursuant to this subdivision may be separately assessed
27 as provided in Section 2188.10.

28 (4) (A) Notwithstanding any other provision of law, after an
29 exclusion under subdivision (a), the assessor may not levy any
30 escape or supplemental assessment with respect to any change in
31 ownership of a pro rata portion of the real property of the
32 mobilehome park that occurred between January 1, 1989, and
33 January 1, 2002, and for which the assessor did not, prior to
34 January 1, 2000, levy any assessments. However, commencing
35 with the January 1, 2002, lien date, the assessor shall correct the
36 base year value of the pro rata portion of the real property of the
37 park to properly reflect these changes in ownership. A mobilehome
38 park shall provide information requested by the assessor that is
39 necessary to correct the base year value of the property for purposes
40 of this paragraph.

1 (B) When an assessor corrects the base year value of the real
2 property of the park pursuant to subparagraph (A), the assessor
3 shall notify parks that residents may be eligible for property tax
4 assistance programs offered by either the Controller or the
5 Franchise Tax Board for senior citizens, or blind or disabled
6 persons.

7 (C) Any outstanding taxes that were levied between January 1,
8 2000, and January 1, 2002, as a result of a pro rata change in
9 ownership as described in subparagraph (A) shall be canceled.
10 However, there shall be no refund of taxes, as so levied, that were
11 paid prior to January 1, 2002.

12 (5) A mobilehome park that does not utilize recorded deeds to
13 transfer ownership interest in the spaces or lots shall file, by
14 February 1 of each year, a report with the county assessor's office
15 containing all of the following information:

16 (A) The full name and mailing address of each owner,
17 stockholder, or holder of an ownership interest in the mobilehome
18 park.

19 (B) The situs address, including space number, of each unit.

20 (C) The date that the ownership interest was acquired.

21 (D) If the unit is a manufactured home, the Department of
22 Housing and Community Development decal number or serial
23 number, or both, and whether the manufactured home is subject
24 to the vehicle license fee or the local property tax.

25 (6) Within 30 days of a change in ownership, the new resident
26 owner or other purchaser or transferee of a manufactured home
27 within a mobilehome park that does not utilize recorded deeds to
28 transfer ownership interest in the spaces or lots shall file a change
29 in ownership statement described in either Section 480 or 480.2.

30 (7) Failure to comply with the reporting requirement described
31 in paragraph (5) shall result in a penalty pursuant to Section 482.

32 (c) It is the intent of the Legislature that, in order to facilitate
33 affordable conversions of mobilehome parks to tenant ownership,
34 paragraph (1) of subdivision (a) apply to all bona fide transfers of
35 rental mobilehome parks to tenant ownership, including, but not
36 limited to, those parks converted to tenant ownership as a nonprofit
37 corporation made on or after January 1, 1985.